

**Quad Area Community Action Agency, Inc.
Hammond, Louisiana**

Financial Statements With Auditors' Report

**As of and for the Years Ended December 31, 2011 and 2010
With Supplemental Information Schedules**

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
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Independent Auditors' Report

To the Board of Directors
Quad Area Community Action Agency, Inc.
Hammond, Louisiana

We have audited the accompanying statements of financial position of Quad Area Community Action Agency, Inc. (a nonprofit organization), as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Quad Area Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of La Posada Apartments, RHS Project, which statements reflect total assets at December 31, 2011 and 2010 of \$1,707,641 and \$1,721,342, respectively, and total support and revenues for the years ended December 31, 2011 and 2010 of \$249,562 and \$233,553, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for La Posada Apartments, is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Quad Area Community Action Agency, Inc., as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2012, on our consideration of Quad Area Community Action Agency, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Quad Area Community Action Agency, Inc. taken as a whole. The accompanying supplemental information schedules shown on pages 16 – 23, are presented for the purpose of additional analysis and are not a required part of the financial statements of Quad Area Community Action Agency, Inc. The accompanying schedule of

expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accounted in the United States of America. In our opinion, the supplemental information schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying supplemental schedule, listed as "Supplemental Information Schedule For Grants and Contracts Analysis" in the table of contents and shown on page 25, is presented for the purpose of providing various funding sources of Quad Area Community Action Agency, Inc. additional individual grant and contract analysis and is not a required part of the financial statements. The information is prepared on a prescribed basis of the various funding sources of Quad Area Community Action Agency, Inc., and the schedule is for a period other than the organization's fiscal year. This schedule is not presented in accordance with generally accepted accounting principles. Accordingly, the schedule mentioned previously and shown on page 25 is not intended to present financial position and results of operations in conformity with generally accepted accounting principles. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated on the basis of accounting practices prescribed by the various funding sources.



Cook and Morehart
Certified Public Accountants
June 22, 2012

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statements of Financial Position
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets		
Current assets:		
Cash	\$ 197,820	\$ 469,501
Grant receivables	494,281	301,241
Other receivables	4,165	10,418
Prepaid expenses	12,563	3,124
Due from other funds	<u>247,533</u>	<u>529,462</u>
Total current assets	956,362	1,313,746
 Restricted deposits and funded reserves	 <u>138,264</u>	 <u>123,280</u>
 Property and equipment	 6,786,978	 7,001,854
Accumulated depreciation	<u>(2,139,752)</u>	<u>(2,235,383)</u>
Net property and equipment	4,647,226	4,766,471
 Total Assets	 <u><u>\$ 5,741,852</u></u>	 <u><u>\$ 6,203,497</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 239,534	\$ 338,996
Accrued liabilities	117,115	150,535
Due to other funds	247,533	529,462
Current portion of long-term debt	174,335	315,458
Refundable advances	<u>119,449</u>	<u>5,948</u>
Total current liabilities	897,966	1,340,399
 Deposits and prepayment liabilities:		
Tenant's security deposits	<u>5,850</u>	<u>5,850</u>
 Long-term debt	 <u>2,371,220</u>	 <u>2,536,316</u>
 Total liabilities	 <u>3,275,036</u>	 <u>3,882,565</u>
 Net assets:		
Unrestricted:		
Operating - undesignated	229,427	100,919
Designated	135,632	150,613
Fixed assets	<u>2,101,757</u>	<u>2,069,400</u>
 Total net assets	 <u>2,466,816</u>	 <u>2,320,932</u>
 Total Liabilities and Net Assets	 <u><u>\$ 5,741,852</u></u>	 <u><u>\$ 6,203,497</u></u>

The accompanying notes are an integral part of the financial statements.

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statements of Activities
For the Years Ended December 31, 2011 and 2010

	Unrestricted	
	2011	2010
Revenues and Other Support:		
Contractual revenue - grants	\$ 9,909,098	\$ 13,170,794
Rents	10,641	15,006
Rental assistance subsidy	231,317	211,360
Fees earned	67,590	101,475
Miscellaneous revenues	197,129	293,145
Total revenues and other support	10,415,775	13,791,780
Expenses:		
Home energy assistance	3,461,668	4,363,244
Community services	1,076,561	2,821,972
Weatherization assistance	1,642,686	1,961,065
Head start program	1,275,360	1,247,881
St. Amant learning	5,703	39,826
Child nutrition	158,720	165,318
Foster grandparents program	446,199	452,196
CBAE	773	201,963
Retired senior volunteer program	26,586	37,524
CFCIP	200	153,351
Emergency assistance	2,311	43,328
Literacy education	117,965	136,002
Rental housing project	230,002	224,960
Man to Man		6,781
STEP - Adult Education	7,347	13,656
STEP - Transportation	49,739	39,990
MHV III	104,384	211,194
VA Grant & Per Diem	557,795	253,785
RHV	5,032	162,459
Children's trust fund	6,757	1,867
PBT - YOI	821	5,510
Youth Build	536,234	463,656
Silver Force	265,199	462,919
General services	291,849	455,825
Total expenses	10,269,891	13,926,272
Changes in net assets	145,884	(134,492)
Net assets, beginning of year	2,320,932	2,455,424
Net assets, end of year	\$ 2,466,816	\$ 2,320,932

The accompanying notes are an integral part of the financial statements.

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010

Operating Activities	2011	2010
Change in net assets	\$ 145,884	\$ (134,492)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	265,330	254,799
(Gain) loss on retirement of property and equipment	15,296	20,900
(Increase) decrease in operating assets:		
Grant receivables	(193,040)	386,600
Other receivables	6,254	14,408
Prepaid expense	(9,439)	7,943
Restricted deposits and funds	(14,984)	(13,234)
Increase (decrease) in operating liabilities:		
Accounts payable	(99,462)	(158,240)
Accrued liabilities	(33,420)	(92,185)
Refundable advances	113,501	(68,376)
Net cash provided by operating activities	<u>195,920</u>	<u>218,123</u>
Investing Activities		
Payments for property and equipment	<u>(132,830)</u>	<u>(40,981)</u>
Net cash (used) in investing activities	<u>(132,830)</u>	<u>(40,981)</u>
Financing Activities		
Proceeds from notes payable	109,994	370,483
Repayments of long-term debt	<u>(444,765)</u>	<u>(399,148)</u>
Net cash (used) by financing activities	<u>(334,771)</u>	<u>(28,665)</u>
Net increase (decrease) in cash	(271,681)	148,477
Cash as of beginning of year	<u>469,501</u>	<u>321,024</u>
Cash as of end of year	<u>\$ 197,820</u>	<u>\$ 469,501</u>
Supplemental disclosures:		
Cash paid for interest	<u>\$ 131,368</u>	<u>\$ 130,891</u>
Non-cash investing and financing transaction:		
Acquisition of property		
Cost of property and equipment	\$ 161,380	\$ 211,195
Property and equipment loans	<u>(28,550)</u>	<u>(170,214)</u>
Cash down payment for property and equipment	<u>\$ 132,830</u>	<u>\$ 40,981</u>

The accompanying notes are an integral part of the financial statements.

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2011 and 2010

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Quad Area Community Action Agency, Inc. (QACAA) is a private nonprofit corporation incorporated under the laws of the State of Louisiana. QACAA is governed by a Board of Directors from the different parishes that QACAA serves. QACAA operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in the following parishes of Louisiana: Ascension, East Feliciana, West Feliciana, Livingston, St. Helena, Tangipahoa, and Washington. The following programs, with their approximate percentage of total revenues indicated, are administered by QACAA:

Home Energy Assistance (34%) – Operates a program designed to assist low income households in offsetting the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Association of Community Action Partnerships, Inc.

Community Services Block Grant (10%) – Administers programs designed to provide services and activities that will have a measurable impact on causes of poverty in the community. Funding is provided by federal funds passed through the Louisiana Workforce Commission.

Weatherization Assistance (16%) – Weatherizes (insulates) the dwellings of low-income persons particularly the elderly and handicapped low-income persons, in order to aid those persons least able to afford higher energy costs and to conserve needed energy. Funding is provided by federal funds, including ARRA funds, passed through the Louisiana Association of Community Action Partnerships, Inc.

Head Start Program (13%) – Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided by federal funds from the U.S. Department of Health and Human Services.

St. Amant Learning (.04%) – To assist clients of all ages with literacy skills including reading, writing, and mathematics. Special tutoring schedules will be set up for each client based on their needs towards the goal of self-sufficiency. Funding is provided by various sources.

Child Nutrition (2%) – Operates a Child and Adult Care Food Program in coordination with the Head Start Program. Funding is provided by federal funds passed through the Louisiana Department of Education.

Foster Grandparents Program (4%) – Sets up projects which provide one-on-one help to children with special needs or exceptional needs in health, education, welfare and related settings. Foster grandparents must be low-income persons at least 60 years of age. Funding is provided by federal funds from the U.S. Agency The Corporation For National Service.

RSVP Program (.2%) – Provides opportunities for retired persons to volunteer their services in order to remain physically and mentally active. Funding is provided by federal funds from the U.S. Agency The Corporation For National Service.

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Quad Area Community Action Agency, Inc.
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Notes to Financial Statements
December 31, 2011 and 2010
(Continued)

Emergency Assistance (.04%) – Provides emergency food and shelter in areas of high need through-out the community to persons based upon their unemployment or poverty status. Funding is provided by federal funds passed through local United Way agencies.

Literacy Education (1%) – Develops programs and activities to meet the needs of welfare to work and undereducated non-adolescent adult students to help prepare them for entering the work force. Funding is provided by federal funds passed through the Louisiana Department of Education.

Rental Housing Projects (2%) – La Posada Apartments is a forty-unit apartment project located in Independence, Louisiana, that is owned and operated by QACCA. The project was placed in service during August, 2002, for the purpose of operating a rental housing project. Permanent financing is being provided by the Rural Housing Service (RHS), and the project is regulated by RHS as to rent charges and operating methods.

Strategies to Empower People (STEP) – Adult Education (.07%) – the services to be provided will be adult basic and secondary literacy instruction, GED preparation, administration and reimbursement of GED testing fees for clients. Funding is provided by federal funds passed through the Louisiana Department of Education.

Strategies to Empower People (STEP) – Transportation (1%) – Partnership with Office of Family Support in three parishes to provide transportation to Step participants for health, medical, and education. Funding is provided by federal funds passed through the Louisiana Department of Social Services.

MHV III (1%) – Support a homeless veteran's reintegration, training and placement project program. Funding is provided by federal funds from the U.S. Department of Labor.

VA Grant & Per Diem (5%) – Provides funding for acquisition and renovation of a building to create transitional housing that will provide 19 beds for homeless veterans. Funding is provided by federal funds from the Department of Veterans Affairs (VA) Homeless Providers Grant and Per Diem program.

RHV (.04%) – To support a homeless veteran's reintegration, training and placement project program. Funding is provided by federal funds from the U.S. Department of Labor.

Children's Trust Fund (.08%) – Provides modules on fatherhood, life skills, and parenting, with opportunities for family fun times and field trips to practice what is learned in class and build better and more meaningful family relationships. Funding is provided by Department of Social Services, for Child Abuse Prevention Services (Louisiana Children's Trust Fund).

Youth Build (5%) – To target 60 disadvantaged youth to engage them in academic and occupational challenges, qualifying them to work on affordable or free housing intended for homeless/low-income projects. Funding is provided by federal funds from the U.S. Department of Labor.

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Quad Area Community Action Agency, Inc.
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Notes to Financial Statements
December 31, 2011 and 2010
(Continued)

Silver Force (3%) – To address the workforce challenges facing older individuals by developing a quality, comprehensive model of talent development in the post-Katrina recovering economy. Funding is provided by federal funds from the U.S. Department of Labor.

General Services (2%) – Provides payment of necessary agency expenses not specifically attributable to a grant/contract operated by the agency. Funding is provided by various donations and by management and development fees earned through the operation of three apartment complexes.

B. Basis of Accounting

The financial statements of QACAA have been prepared on the accrual basis of accounting.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: *unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets*.

D. Income Taxes

QACAA is a nonprofit corporation and is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to QACAA's tax-exempt purpose is subject to taxation as unrelated business income. QACAA had no such income for this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended December 31, 2008, 2009, 2010, and 2011 are subject to examination by the IRS, generally three years after they were filed.

E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, QACAA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. QACAA had no cash equivalents during 2011 or 2010.

G. Property and Equipment

Acquisitions of buildings, equipment, and improvements in excess of \$500 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Capitalized assets are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2011 and 2010
(Continued)

The Federal Government has a reversionary interest in property purchased with federal funds; its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding agency.

H. Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

I. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

J. Tenants' Security Deposit

Tenants' security deposits are held in a separate bank account in the name of the rental housing project. At December 31, 2011, this account was funded in an amount equal to the security deposit liability.

K. Amortization

Insofar as they relate to the La Posada Apartments, mortgage costs are amortized over the term of the mortgage loan using the effective interest method.

L. Rental Income

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the corporation and the tenants of the rental housing project are operating leases.

(2) Concentrations of Credit Risk

QACAA maintains its temporary cash investments with financial institutions that are insured by the FDIC up to \$250,000 at each bank. At December 31, 2011 and 2010, \$258,681 and \$547,712, respectively, was held at financial institutions. These entire amounts were insured by the FDIC.

Concentrations of credit risk with respect to grants receivable were limited due to the balance being comprised of amounts due from governmental agencies under contractual terms. As of December 31, 2011 and 2010, QACAA had no significant concentrations of credit risk in relation to grants receivable.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2011 and 2010
(Continued)

(3) Grants Receivable

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from the funding sources at December 31, 2011 and 2010, but not received until after that date.

(4) Refundable Advances

QACAA records federal funds received in excess of expenditures as a refundable advance until they are expended for the purpose of the contract or until the funds are returned to the appropriate funding source.

(5) Unrestricted Operating Net Assets

Unrestricted, undesignated operating net assets at December 31, 2011 and 2010, are detailed by individual program as follows:

	2011	2010
St. Amant Learning	\$ 2,099	\$ 2,958
Home Energy Assistance	(15,403)	(72,823)
Weatherization	65	-
Emergency Assistance	1,939	23
Rental Housing Project	50,137	31,709
Step Transportation	(3,178)	-
Emergency Shelter Grants	-	(5)
Literacy Education	(2,497)	(2,497)
Youth Build	(2,408)	-
Silver Force	(241)	-
MHV III	(1,179)	-
General Services	200,093	141,554
	<u>\$ 229,427</u>	<u>\$ 100,919</u>

Designated net assets at December 31, 2011 and 2010, consists of funds designated to be used only for the operations of the following programs:

	2011	2010
Rental Housing Program	\$ 132,414	\$ 117,430
Child Nutrition	-	-
Step Transportation	-	12,660
VA Grant & Per Diem	3,218	20,523
	<u>\$ 135,632</u>	<u>\$ 150,613</u>

(6) Partnership Investments

QACAA serves as the Managing General Partner for four different limited partnerships which manage apartment complexes under the Home Affordable Rental Housing Program through regulatory agreements with Louisiana Housing Finance Agency.

QACAA entered into Management Sub-Contracts with Calhoun Property Management, Inc. and St. Amant Management Co., in which they will co-manage the Partnerships. QACAA's ownership percentage of all partnerships is .5%.

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Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2011 and 2010
(Continued)

(7) Contractual Revenue – Grants

During the years ended December 31, 2011 and 2010, QACAA received contractual revenue from federal and state grants in the amount of \$9,909,098 and \$13,170,794, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(8) Property and Equipment

An analysis of the property and equipment at December 31, 2011 is as follows:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	20 – 30 years	\$ 2,646,728	\$1,024,586	\$ 3,671,314
<i>La Posada Apartment buildings</i>	30 years	1,941,402	–	1,941,402
Land		67,250	100,250	167,500
Furniture and equipment	3 – 7 years	475,599	34,301	509,900
Vehicles	3 – 5 years	361,403	135,459	496,862
Accumulated depreciation		<u>(1,627,198)</u>	<u>(512,554)</u>	<u>(2,139,752)</u>
Net investment in property and equipment		<u>\$ 3,865,184</u>	<u>\$ 782,042</u>	<u>\$ 4,647,226</u>

Depreciation expense for the year ended December 31, 2011 was \$265,330.

An analysis of the property and equipment at December 31, 2010 is as follows:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non-Federal Funds	Total
Buildings and improvements	20 – 30 years	\$ 2,649,062	\$1,038,118	\$ 3,687,180
<i>La Posada Apartment buildings</i>	30 years	1,941,402	–	1,941,402
Land		67,250	100,250	167,500
Furniture and equipment	3 – 7 years	394,510	163,444	557,954
Vehicles	3 – 5 years	361,403	286,415	647,818
Accumulated depreciation		<u>(1,452,608)</u>	<u>(782,775)</u>	<u>(2,235,383)</u>
Net investment in property and equipment		<u>\$ 3,961,019</u>	<u>\$ 605,452</u>	<u>\$ 4,766,471</u>

Depreciation expense for the year ended December 31, 2010 was \$254,799.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2011 and 2010
(Continued)

(9) Due To and Due From Other Funds

Fund	2011		2010	
	Due From Other Funds	Due To Other Funds	Due From Other Funds	Due To Other Funds
Unrestricted	\$ 242,785	\$ -	\$ 494,023	\$ 149,454
Restricted Funds:				
Home Energy Assistance	-	24,724	2,152	86,599
Community Services	-	9,961	-	9,838
Community Services - ARRA	-	-	-	2,124
Weatherization Assistance	-	5,631	1,779	3,256
Weatherization Assistance - ARRA	788	6,513	-	18,580
Head Start Program	-	19,796	11,188	6,300
St. Amant Learning	-	-	1,541	5,940
Child and Adult Care Food Program	3,222	12,850	-	11,113
CFCIP	-	-	-	55,650
Emergency Assistance	-	105	-	105
Literacy Education	-	27,268	-	76,456
Emergency Shelter Grants Program	-	-	-	907
LTC	-	-	-	46
Step Adult ED	-	2,735	-	1,687
Step Transportation	-	11,954	-	1,091
MHV III	-	1,982	-	6,916
VA Grant & Per Diem	738	120,735	18,779	73,702
RHV	-	50	-	4,395
NHV	-	100	-	4,395
CTF	-	-	-	2,047
Silver Force	-	526	-	2,023
Youth Build	-	2,603	-	10,123
RSVP	-	-	-	104
FGP	-	-	-	1,006
	<u>\$ 247,533</u>	<u>\$ 247,533</u>	<u>\$ 529,462</u>	<u>\$ 529,462</u>

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2011 and 2010
(Continued)

(10) Restricted Deposits and Funded Reserves

In accordance with the loan agreement with RHS, a reserve for replacements is to be funded \$21,302 annually until the account reaches a balance of \$213,020. The required amount of reserves as of December 31, 2011 and 2010 was \$108,637 and \$95,945, respectively. The amount on hand at December 31, 2011 and 2010 was \$129,097 and \$108,421, respectively, which was funded. This amount is including in restricted deposits and funded reserves in the accompanying financial statements.

Also included in restricted deposits and fund reserves are escrow and security deposits at December 31, 2011 and 2010 of \$9,167 and \$14,859, respectively.

(11) Long-term Debt

Long-term debt at December 31, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Note payable to a bank, interest of 8.0%, principle due December, 2011; secured by demand collateral mortgage note, collateral mortgage, and collateral pledge agreement.	\$ 54	\$ 48,706
Note payable to a bank; due in monthly installments of \$591; interest of 6.25%; final payment due April, 2016; secured by real estate.	26,753	30,292
Note payable to a finance company, interest of 6.25%; payments due monthly beginning December, 2010; final payment due December, 2015; secured by vehicle.	2,815	25,833
Note payable to a bank, due in monthly installments of \$9,621 including interest at 7.0%, secured by real estate; loan renewed February, 2010, due in monthly installments of \$9,465, including interest at 7.0%, final payment due February, 2015. Loan is also guaranteed by the U.S. Department of Agriculture for \$1,080,000 under a loan note guarantee.	707,268	771,394
Note payable with a bank dated February 9, 2009, interest only payments beginning March 2009, through January 19, 2010. Effective January 20, 2011, payable in 47 monthly payments of principal and interest as determined by bank; interest rate of 6.75% final payment due January 19, 2015; secured by real estate.	689,753	705,500

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2011 and 2010
(Continued)

Two notes payable to Rural Housing Service, due in monthly installments of \$3,150 and \$501, including interest at 1.00%, secured by real estate, final payments due August 2035	894,053	928,736
Note payable to a bank, variable interest rate, 6.0% at December 31, 2008; principle due November 12, 2011; secured by real estate.		57,466
Note payable to a bank, interest of 7.25%; principal due May 29, 2011; secured by demand collateral mortgage note, collateral mortgage, and collateral pledge agreement	31	48,531
Note payable to a bank, variable interest rate, 6.00% at July 17, 2009, due in 59 monthly payments of \$4,169.91, including interest; principle balance due July 2014; secured by real estate.	198,814	235,316
Note payables to a finance company, interest 5.74%; payments due monthly, final payments due July, 2016; secured by vehicles.	<u>26,014</u>	<u> </u>
Total Debt	2,545,555	2,851,774
Less current installments on long-term debt	<u>(174,335)</u>	<u>(315,458)</u>
Non-current portion of long-term debt	<u>\$2,371,220</u>	<u>\$2,536,316</u>

Approximate maturities of long-term debt are summarized as follows:

For the Year Ending <u>December 31,</u>	Approximate <u>Amount</u>
2012	\$ 174,335
2013	180,959
2014	265,270
2015	560,020
2016	66,079
2017 – thereafter	<u>1,298,892</u>
	<u>\$ 2,545,555</u>

Interest expense on these notes for the years ended December 31, 2011 and 2010 was \$131,368 and \$130,891, respectively.

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Notes to Financial Statements
December 31, 2011 and 2010
(Continued)

(12) Retirement Obligations

QACAA participates in a tax deferred thrift retirement plan whereby an amount up to 5% of the salary of eligible employees is contributed to interest-earning accounts or mutual funds. The funds are in the employee's name upon funding. The amounts contributed for the years ended December 31, 2011 and 2010 were \$128,653, and \$148,183, respectively.

(13) Leases

The agency leases certain buildings and equipment under operating leases. There are no purchase options or renewal terms contained in these leases. They can each be renewed based on the mutual agreement of both parties. Rental costs on these items for the years ended December 31, 2011 and 2010 were as follows:

	<u>2011</u>	<u>2010</u>
Buildings	\$ 34,250	\$ 64,557
Equipment	26,877	29,312
	<u>\$ 61,127</u>	<u>\$ 93,869</u>

Commitments under lease agreements having initial remaining terms in excess of one year are as follows:

For the Year Ending <u>December 30,</u> 2012	<u>\$ 8,000</u>
--	-----------------

(14) Accrued Liabilities

Accrued liabilities at December 31, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Payroll liabilities	\$ 115,190	\$ 148,581
Accrued interest payable	1,925	1,954
	<u>\$ 117,115</u>	<u>\$ 150,535</u>

(15) Subsequent Events

Subsequent events have been evaluated through June 22, 2012, the date the financial statements were available to be issued.

Quad Area Community Action Agency, Inc.
Harriman, Louisiana
Combining Schedule of Financial Position
December 31, 2011
(With Comparative Totals for 2010)

	Home Energy Assistance	Community Services	Weatherization Assistance	Weatherization Assistance ARRA	Head Start Program	St. Amant Learning	Child Nutrition
Assets							
Current assets:							
Cash	\$ 10,346	\$ 1,867	\$ 1,298	\$ 47,770	\$ 348	\$ 2,099	\$ 3,864
Grant receivables		8,294	23,897	220,863	72,740		9,082
Other receivables							
Prepaid expenses							
Due from other funds				788			3,222
Total current assets	10,346	9,961	25,195	269,421	73,088	2,099	16,168
Restricted deposits and funded reserves							
Property and equipment	24,245	6,806	2,900	138,144	1,906,208	2,581	5,235
Accumulated depreciation	(4,147)	(6,474)	(1,346)	(41,114)	(1,021,373)	(1,971)	(1,080)
Net property and equipment	20,098	332	1,554	97,030	884,835	610	4,175
Total Assets	30,444	10,293	26,749	366,451	957,923	2,709	20,343
Liabilities and Net Assets							
Current liabilities:							
Accounts payable	\$ 1,025	\$	\$ 13,564	\$ 146,712	\$ 53,292	\$	\$
Accrued liabilities							
Due to other funds	24,724	9,961	5,631	6,513	19,796		12,850
Current portion long-term debt					38,934		
Refundable advances				116,131			3,318
Total current liabilities	25,749	9,961	25,195	269,356	112,022		16,168
Deposits and prepayment liabilities:							
Tenants' security deposits							
Long-term debt					159,880		
Total liabilities	25,749	9,961	25,195	269,356	271,902		16,168
Net assets:							
Unrestricted:	(15,403)			65		2,099	
Operating - undesignated							
Designated							
Fixed assets	20,098	332	1,554	97,030	686,021	610	4,175
Total net assets	4,695	332	1,554	97,095	686,021	2,709	4,175
Total Liabilities and Net Assets	30,444	10,293	26,749	366,451	957,923	2,709	20,343

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Combining Schedule of Financial Position
December 31, 2011
(With Comparative Totals for 2010)
(Continued)

	Foster Grandparents Program	CBAE	Retired Senior Volunteer Program	CFCIP	Emergency Assistance	Literacy Education	Emergency Shelter Grants Program	Rental Housing Project
Assets								
Current assets:								
Cash	\$	\$	\$	\$	\$	\$	\$	\$
Grant receivables					2,431	4,080		40,745
Other receivables						20,891		
Prepaid expenses								12,563
Due from other funds								
Total current assets					2,431	24,971		53,308
Restricted deposits and funded reserves								138,264
Property and equipment		3,321		999				1,977,152
Accumulated depreciation		(2,468)		(583)				(481,083)
Net property and equipment		853		316				1,516,069
Total Assets	\$	\$ 853	\$	\$ 316	\$ 2,431	\$ 24,971	\$	\$ 1,707,841
Liabilities and Net Assets								
Current liabilities:								
Accounts payable	\$	\$	\$	\$	\$ 387	\$ 200	\$	\$ 2,428
Accrued liabilities								745
Due to other funds					105	27,268		
Current portion long-term debt								35,032
Refundable advances					492	27,468		38,203
Total current liabilities					492	27,468		
Deposits and prepayment liabilities								5,850
Tenants' security deposits								
Long-term debt								859,021
Total liabilities					492	27,468		903,074
Net assets:								
Unrestricted:								
Operating - designated					1,939	(2,497)		50,137
Designated								132,414
Fixed assets		853		316				622,016
Total net assets		853		316	1,939	(2,497)		804,567
Total Liabilities and Net Assets	\$	\$ 853	\$	\$ 316	\$ 2,431	\$ 24,971	\$	\$ 1,707,841

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Combining Schedule of Financial Position
December 31, 2011
(With Comparative Totals for 2010)
(Continued)

	NHV	Recovery Workforce Training	STEP Adult Ed	STEP Transportation	MHV III	VA Grant & Per Diem	RHV
Assets							
Current assets:							
Cash	\$ 100	\$	\$ 170	\$ 1,751	\$ 103	\$ 7,409	\$ 50
Grant receivables			2,565	7,025		128,924	
Other receivables							
Prepaid expenses							
Due from other funds						738	
Total current assets	100		2,735	8,776	103	137,071	50
Restricted deposits and funded reserves							
Property and equipment					1,785	1,394,189	960
Accumulated depreciation					(725)	(75,239)	(933)
Net property and equipment					1,060	1,318,950	27
Total Assets	\$ 100	\$	\$ 2,735	\$ 8,776	\$ 1,163	\$ 1,456,021	\$ 77
Liabilities and Net Assets							
Current liabilities:							
Accounts payable	\$	\$	\$	\$	\$	\$ 13,118	\$
Accrued liabilities							
Due to other funds	100		2,735	11,954	1,982	120,735	50
Current portion long-term debt						26,867	
Refundable advances							
Total current liabilities	100		2,735	11,954	1,982	160,720	50
Deposits and prepayment liabilities							
Tenants' security deposits						692,454	
Long-term debt							
Total liabilities			2,735	11,954		853,174	50
Net assets:							
Unrestricted:							
Operating - designated				(3,178)	(1,179)	3,218	
Designated					360	599,629	27
Fixed assets				(3,178)	(919)	602,847	27
Total net assets							
Total Liabilities and Net Assets	\$ 100	\$	\$ 2,735	\$ 8,776	\$ 1,163	\$ 1,456,021	\$ 77

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Combining Schedule of Financial Position
December 31, 2011
(With Comparative Totals for 2010)
(Continued)

	CTF	YOJ	Youth Build	Silver Force	General Services	Total
Assets						
Current assets:						
Cash	\$	\$	195	\$	73,109	\$ 197,820
Grant receivables						\$ 494,281
Other receivables					4,165	10,418
Prepaid expenses					12,563	3,124
Due from other funds					242,785	529,462
Total current assets			195	285	320,058	1,313,746
Restricted deposits and funded reserves						123,280
Property and equipment		1,450	19,300	10,368	1,291,315	7,001,854
Accumulated depreciation		(1,208)	(3,902)	(5,443)	(510,583)	(2,235,383)
Net property and equipment		242	15,398	4,945	780,732	4,766,471
Total Assets	\$	242	15,593	5,230	1,100,791	\$ 6,203,497
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	\$	\$	\$	\$	2,810	\$ 238,534
Accrued liabilities					116,370	117,115
Due to other funds			2,603	526	247,533	529,462
Current portion long-term debt					73,502	315,458
Refundable advances					119,449	5,948
Total current liabilities			2,603	526	192,682	1,340,399
Deposits and prepayment liabilities						5,850
Tenants' security deposits						
Long-term debt					659,885	2,371,220
Total liabilities			2,603	526	852,547	3,882,565
Net assets:						
Unrestricted:						
Operating - designated			(2,408)	(241)	200,093	229,427
Designated						135,832
Fixed assets		242	15,398	4,945	48,151	2,101,757
Total net assets		242	12,990	4,704	248,244	2,320,932
Total Liabilities and Net Assets	\$	242	15,593	5,230	1,100,791	\$ 6,203,497

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Combining Schedule of Activities
For the Year Ended December 31, 2011
(With Comparative Totals for 2010)

	Home Energy Assistance	Community Services	Weatherization Assistance	Weatherization Assistance ARRA	Head Start Program	St. Amant Learning	Child Nutrition
Revenues and Other Support:							
Contractual revenue-grant	\$ 3,569,748	\$ 1,075,270	\$ 229,835	\$ 1,397,815	\$ 1,337,196	\$	\$ 157,969
Rents							
Rental assistance subsidy							
Fees earned							
Miscellaneous revenues							
Total revenues and other support	3,569,748	1,075,270	229,835	1,397,815	1,337,302	4,391	157,972
Expenses:							
Salaries	101,701	590,672	35,307	262,010	757,587	3,835	25,914
Fringe benefits	20,024	111,190	4,354	45,083	147,918	771	3,948
Travel	548	14,970	1,765	9,058	49,741		
Space costs	42,577	89,964	738	2,456	93,714	211	4,322
Telephone		40,316			12,883	99	
Operating and maintenance							
Administrative							
Taxes and insurance				10,949			
Insurance		41,457	3,980		24,288	248	
Equipment expenses	1,037	22,829		70	23,185		
Supplies	18,156	15,084	182,707	966,368	17,406	27	5,066
Professional services and contract labor		54,020		7,280	4,409		2,844
Food and related supplies					8,078		116,078
Miscellaneous		11,166		68,401	59,326		
Vehicle expenses							
Volunteer expenses							
Client assistance payments	3,275,865	83,602					
Interest expense							
Depreciation expense	1,759	1,291	414	19,735	75,824	512	748
Total expenses	3,461,668	1,076,561	229,276	1,413,410	1,275,380	5,703	158,720
Changes in net assets	108,080	(1,291)	559	(15,595)	61,942	(1,312)	(748)
Net assets, beginning of year	(50,965)	1,623	1,988	116,765	624,079	4,079	4,923
Transfers	(52,420)		(973)	(4,075)		(58)	
Net assets, end of year	\$ 4,695	\$ 332	\$ 1,554	\$ 97,095	\$ 686,021	\$ 2,709	\$ 4,175

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Combining Schedule of Activities
For the Year Ended December 31, 2011
(With Comparative Totals for 2010)
(Continued)

	Foster Grandparents Program	CBAE	Retired Senior Volunteer Program	CFCIP	Emergency Assistance	Literacy Education	Emergency Shelter Grants Program	Rental Housing Project
Revenues and Other Support:								
Contractual revenue-grant	\$ 446,200	\$	\$ 26,586	\$	\$ 4,228	\$ 120,233	\$	\$
Rents								10,641
Rental assistance subsidy								231,317
Fees earned								4,585
Miscellaneous revenues								3,019
Total revenues and other support	446,200		26,586		4,228	120,233		249,562
Expenses:								
Salaries	87,200		15,000			91,589		
Fringe benefits	16,501		2,299			16,492		
Travel	4,212		1,435					
Space costs	2,748							25,897
Telephone	2,626		60					
Operating and maintenance								56,129
Administrative								68,788
Taxes and insurance								21,553
Insurance								
Equipment expenses								
Supplies	1,391		1,206			4,761		
Professional services and contract labor	4,122		500			5,123		
Food and related supplies					586			
Miscellaneous								
Vehicle expenses	327,399		6,086		1,725			
Volunteer expenses								
Client assistance payments								
Interest expense								
Depreciation expense								9,100
Total expenses	446,199	773	26,586	200	2,311	117,965		48,535
Changes in net assets		(773)	(200)	(200)	1,917	2,268		19,560
Net assets, beginning of year		1,626		516	23	(2,497)	(5)	785,007
Transfers						(2,268)	5	
Net assets, end of year	\$	\$ 853	\$	\$ 316	\$ 1,940	\$ (2,497)	\$	\$ 804,567

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Combining Schedule of Activities
For the Year Ended December 31, 2011
(With Comparative Totals for 2010)
(Continued)

	NHV	Recovery Workforce Training	STEP Adult Ed	STEP Transportation	MHV JJJ	VA Grant & Per Diam	RHV
Revenues and Other Support:							
Contractual revenue-grant	\$	\$	7,347	\$ 61,575	\$ 103,206	\$ 532,282	\$ 4,712
Rents							
Rental assistance subsidy							
Fees earned							
Miscellaneous revenues							
Total revenues and other support			7,347	61,575	103,206	532,282	4,712
Expenses:							
Salaries			6,216	27,601	52,454	235,675	
Fringe benefits			1,131	4,586	10,836	44,898	
Travel				9,207	3,383	19,614	
Space costs				128		39,323	
Telephone				72	4,966	9,376	
Operating and maintenance						31,467	
Administrative							
Taxes and insurance							
Insurance				5		14,603	
Equipment expenses				6,015		3,948	
Supplies				71	3,261	22,348	
Professional services and contract labor					2,000	1,441	
Food and related supplies						57,902	
Miscellaneous				2,054	25,775	13,298	4,712
Vehicle expenses					1,709	8,048	
Volunteer expenses							
Client assistance payments							
Interest expense							
Depreciation expense							
Total expenses			7,347	49,739	104,384	557,795	320
Changes in net assets							5,032
Net assets, beginning of year				11,836	(1,178)	(25,513)	(320)
Transfers				12,680	360	628,360	347
				(27,673)			
Net assets, end of year	\$	\$	\$	\$ (3,177)	\$ (818)	\$ 602,847	\$ 27

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Combining Schedule of Activities
For the Year Ended December 31, 2011
(With Comparative Totals for 2010)
(Continued)

	CTF	YOI	Youth Build	Silver Force	General Services	Total
Revenues and Other Support:						
Contractual revenue-grant	\$ 8,133	\$	\$ 563,504	\$ 263,259	\$	\$ 9,909,098
Rents						\$ 13,170,794
Rental assistance subsidy						10,641
Fees earned					63,005	231,317
Miscellaneous revenues				595	189,015	211,360
Total revenues and other support	8,133		563,504	263,854	252,020	67,590
						101,475
						293,145
						293,145
						13,791,780
Expenses:						
Salaries			314,654	192,385	53,935	2,853,735
Fringe benefits			54,517	33,270	9,925	527,741
Travel			7,924	2,548	5,179	129,585
Space costs			150	7,551	150	309,929
Telephone	250		8,006	5,940	1,268	85,863
Operating and maintenance						87,596
Administrative						49,739
Taxes and insurance						68,788
Insurance				3,710		66,441
Equipment expenses			7,056	134		32,502
Supplies	2,282		20,370	2,763	2,093	95,357
Professional services and contract labor			2,000	1,000	27,062	57,219
Food and related supplies					4,478	1,287,362
Miscellaneous	4,225					111,601
Vehicle expenses			6,749	708	11,349	188,122
Volunteer expenses					48,739	198,252
Client assistance payments			111,731	12,701	19,134	68,007
Interest expense					55,558	333,485
Depreciation expense				2,489	52,979	3,504,759
Total expenses	6,757	821	536,234	265,199	291,849	64,658
		821				265,330
						254,799
						13,926,272
Changes in net assets	1,376	(821)	27,270	(1,345)	(39,829)	145,884
						(134,492)
Net assets, beginning of year		1,063	9,075	7,434	174,491	2,320,932
Transfers	(1,376)		(23,355)	(1,384)	113,582	
						2,455,424
Net assets, end of year	\$	\$ 242	\$ 12,990	\$ 4,705	\$ 248,244	\$ 2,466,816
						\$ 2,320,932

**Supplemental Information Schedule
For Grants and Contracts Analysis**

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Head Start Grant No. 06CH0402/20
U.S. Department of Health and Human Services
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Contract Period: December 1, 2010 to November 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>COB Balances Current Year</u>
Revenues			
Department of Health and Human Services	\$ 1,340,574	\$ 1,329,180	
Grantee's contribution	<u>335,144</u>	<u>332,295</u>	
 Total revenue	 <u>1,675,718</u>	 <u>1,661,475</u>	
 Expenditures:			
Personnel	757,528	757,777	\$ (249)
Fringe benefits	138,551	149,033	(10,482)
Travel	5,000	607	4,393
Equipment	30,860	23,186	7,674
Supplies	69,965	29,818	40,147
Contractual	9,000	4,409	4,591
Other	<u>329,670</u>	<u>364,350</u>	<u>(34,680)</u>
	1,340,574	1,329,180	<u>\$ 11,394</u>
 Grantee's share	 <u>335,144</u>	 <u>332,295</u>	
 Total all expenditures	 <u>\$ 1,675,718</u>	 <u>1,661,475</u>	
 Revenue over (under) expenditures			
 Fund balance, beginning December 1, 2010		<u> </u>	
 Fund balance, ending November 30, 2011		<u>\$</u>	

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Health and Human Services</u>			
Direct Programs:			
Head Start (Fy 11-30-11)	93.600	06CH0402/20	\$ 1,249,433
Head Start (Fy 11-30-12)	93.600	06CH0402/21	85,953
Passed through Louisiana Workforce Commission Community Services Block Grant	93.569	Unknown	1,075,270
Passed through Louisiana Department of Social Services STEP Transportation	93.558	665267	77,412
Chafee Foster Care Independent Living Program	93.674		
Passed through Louisiana Department of Education STEP Adult Education	93.558	482110 , 21102	7,347
Passed through Louisiana Association of Community Action Partnerships Home Energy Assistance Program (Fy 9-30-11)	93.568	Unknown	3,496,592
Home Energy Assistance Program (Fy 9-30-12)	93.568	Unknown	15,735
Weatherization Assistance Program (Fy 6-30-11)	93.568	Unknown	17,954
Weatherization Assistance Program (Fy 6-30-12)	93.568	Unknown	21,130
Total U.S. Department of Health and Human Services			<u>6,046,826</u>

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011
(Continued)

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Education</u>			
Passed through Louisiana Department of Education Adult Education	84.002	Unknown	120,233
Total U.S. Department of Education			120,233
<u>The Corporation For National Service</u>			
Direct Programs:			
Foster Grandparent Program (Fy 12-31-11)	94.011	11GXWLA001	446,200
Retired Senior Volunteer Program (Fy 6-30-11)	94.002	105RWLA011	26,881
Total Corporation For National Service			473,081
<u>U.S. Department of Agriculture</u>			
Direct Programs:			
Farm Labor Housing Loan	10.405	Unknown	\$ 894,053
Rural Rental Assistance Payment	10.427	Unknown	231,317
Community Facilities Loans and Grants	10.766	22-053-0720796570	636,541
Passed through Louisiana Department of Education Child Care Food Program (Head Start)	10.558	Unknown	157,969
Total U.S. Department of Agriculture			1,919,880
(Continued)			

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011
(Continued)

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Labor</u>			
Direct Programs:			
Veterans Homeless Program (RHH)	17.805	HV-16416-07-60-5-22	4,711
Veterans Homeless Program (MHV III)	17.805	HV-17612-08-60-5-22	105,084
YouthBuild	17.274	YB-19274-09-60-A-22	565,912
High Growth Aging Worker	17.268	HG-19327-09-60-A-22	265,304
Total U.S. Department of Labor			<u>941,011</u>
<u>U.S. Department of Homeland Security</u>			
Passed through a local governing board Emergency Food and Shelter (FEMA)	97.024	Unknown	<u>2,311</u>
Total U.S. Department of Homeland Security			<u>2,311</u>
<u>U.S. Department of Veterans Affairs</u>			
Direct Program:			
VA Homeless Providers Grant and Per Diem Program	64.024	05-114-LA	167,621
VA Homeless Providers Grant and Per Diem Program II	64.024	07-782-LA	339,636
Total U.S. Department of Veterans Affairs			<u>507,257</u>

(Continued)

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011
(Continued)

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Energy</u>			
Passed through Louisiana Association of Community Action Partnerships			
Weatherization Assistance Program (Fy 6-30-11)	81.042	Unknown	183,154
Weatherization Assistance Program (Fy 6-30-12)	81.042	Unknown	2,767
ARRA - Weatherization Assistance Program (Fy 3-12-12)	81.042	Unknown	1,397,750
Total U.S. Department of Energy			<u>1,583,671</u>
Total federal expenditures			<u>\$ 11,594,270</u>

NOTE 1: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards

To the Board of Directors
Quad Area Community Action Agency, Inc.
Hammond, Louisiana

We have audited the financial statements of Quad Area Community Action Agency, Inc. (a nonprofit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Quad Area Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Quad Area Community Action Agency, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Quad Area Community Action Agency, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Quad Area Community Action Agency, Inc.'s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Quad Area Community Action Agency, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cook & Morehart

Cook & Morehart
Certified Public Accountants
June 22, 2012

COOK & MOREHART

Certified Public Accountants

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Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Board of Directors
Quad Area Community Action Agency, Inc.
Hammond, Louisiana

Compliance

We have audited Quad Area Community Action Agency, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. Quad Area Community Action Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Quad Area Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on Quad Area Community Action Agency, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on test basis, evidence about Quad Area Community Action Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Quad Area Community Action Agency, Inc.'s compliance with those requirements.

In our opinion, Quad Area Community Action Agency, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of Quad Area Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Quad Area Community Action Agency, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Quad Area Community Action Agency, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the audit committee, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
June 22, 2012

Quad Area Community Action Program, Inc.
Hammond, Louisiana
Summary Schedule of Prior Audit Findings
December 31, 2011

There were no findings related to federal awards programs in the prior year audit for the year ended December 31, 2010.

Schedule of Findings and Questioned Costs
December 31, 2011

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Quad Area Community Action Agency, Inc.
2. No significant deficiencies are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Quad Area Community Action Agency, Inc. were disclosed during the audit.
4. No significant deficiencies are reported in the Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for Quad Area Community Action Agency, Inc. reported in Part C. of this Schedule.
7. The programs tested as major programs included: 1) Farm Labor Housing Loan Program CFDA #10.405, 2) Home Energy and Weatherization Assistance Program CFDA #93.568, 3) Community Facilities Loans and Grants CFDA #10.766, 4) Community Services Block Grant CFDA #93.569, 5) Weatherization Assistance Program and Weatherization – ARRA CFDA #81.042, 7) Head Start CFDA #93.600, 6) Youth Build CFDA #17.274, 7) Foster Grand Parents CFDA # 94.011, and 8) VA Homeless Providers Grant and Per Diem Program I and II CFDA # 64.024.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Quad Area Community Action Agency, Inc. did qualify as a low-risk auditee.

B. Findings – Financial Statements Audit – None.

C. Findings and Questioned Costs – Major Federal Programs Audit – None.

Quad Area Community Action Agency, Inc.
Hammond, Louisiana
Summary Schedule of Prior Audit Findings
Schedule for Louisiana Legislative Auditor
December 31, 2011

There were no findings or questioned costs for the prior year audit period ended December 31, 2010.

Corrective Action Plan for Current Year Audit Findings
Schedule for Louisiana Legislative Auditor
December 31, 2011

There are no findings or questioned costs for the current year audit period ended December 31, 2011.